

Vietnam

Car sales down nearly 40% yoy Auto sales in Vietnam contracted almost 40% yoy for 10M/10 and dealers expect that total sales for 2012 may not reach 100k units, compared to 140k units sold in 2011. Unit sales yoy were down for most of the major car companies in October 2012, with Toyota Vietnam sales down 500 units yoy for the month, Truong Hai down 749, GM Vietnam falling by 390 units and Ford down by 116 units. Mercedes-Benz was the only stand out with strong October sales.

View: Further pullback by consumers This is another hint that the economic slowdown is starting to hit consumers, as they are pulling back significantly on purchases of this big ticket item.

Cambodia

Tax revenues up 31% yoy The government collected US\$633mn in taxes over 10M/12, increasing 31% yoy versus US\$483mn over the same period in 2011.

View: Cambodian tax revenues have room to grow Cambodia has one of the lowest relative tax revenues in ASEAN, historically below 5% of GDP, and accounting for just 12-13% of government revenue. This is mainly because 70% of the population is still engaged in subsistence farming, while the collection system remains underdeveloped. However, the recent growth has been driven by growing urbanization, an increasingly large formal sector and increased foreign business investment in the country.

Laos

Vietnam lends approval to Xayaburi Vietnam has given official approval to Laos' Xayaburi dam on the Mekong river, following a redesign that would limit its environmental impact downstream.

View: No official word from Cambodia Of the three countries that could have seen negative environmental effects from the dam, only Cambodia has not officially sanctioned the project. Thailand endorsed project this month; most of the Xayaburi output will be sold Thailand, and Thai firms are involved in its construction. If Cambodia is satisfied with the dam's redesign, it would eliminate the project's last major political hurdle.

Myanmar

Small Singapore cement plant to open Singapore firm TEE International has announced that its subsidiary TEE Resources has signed an MOU with Ayeyarwaddy Cement to open a 3k tonne, US \$200-US\$300mn integrated cement plant. TEE is expected to have a controlling holding in the project.

View: Growing interest from ASEAN A plant of just 3k tonnes is small in the context of the most recently reported 637k tons of cement production from Myanmar in 2010. However, it is still important in that it shows growing interest in investing in Myanmar by broader ASEAN. Historically, most ASEAN investment in Myanmar has come from neighboring Thailand.

Index	Value	% chg
Thailand	1,290.8	-0.22
Vietnam	386.7	0.29
Laos	1,148.6	0.71
Cambodia	666.7	0.00

Source: Bloomberg

Valuation	P/E	P/B
Thailand	14.0	2.2
Vietnam	9.9	1.7
Laos	6.0	0.8
Cambodia	18.4	0.0

Source: Bloomberg, KT Zmico estimates

Currency	USD:x	% chg
Baht (THB)	30.7	-0.20
Dong (VND)	20,840	0.00
Kip (LAK)	8,003	-0.39
Riel (KHR)	4,000	-0.35
Kyat (MMK)	850	-0.32

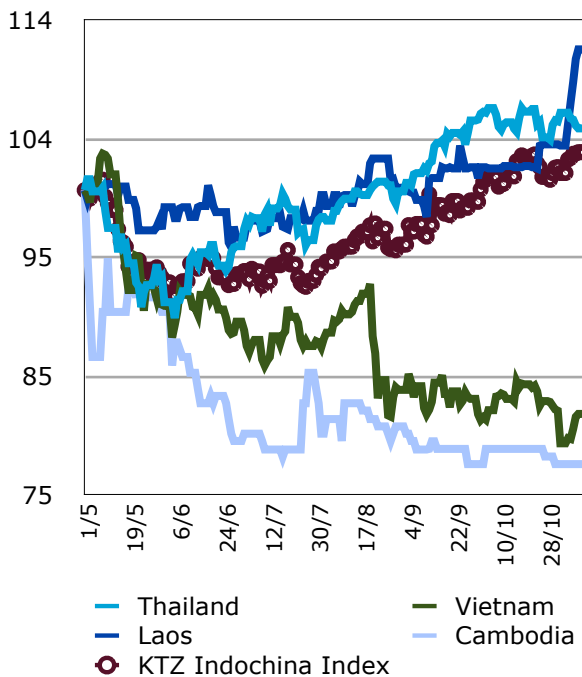
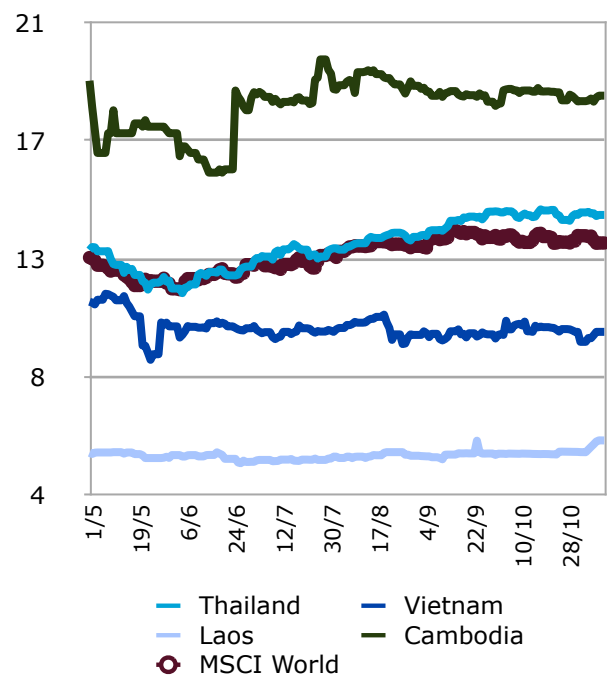
Source: Bloomberg

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Figure 1: Indochina Markets

	Index/ Price*	% chg	Volume('000)	YTD avg daily volume ('000)	Value (US\$ '000)	YTD avg daily value (US\$ '000)
Vietnam (HCI)	387	0.3%	22,940	49,389	13,711	33,715
Vietnam (HNI)	52	1.0%	23,048	46,650	6,645	19,798
Laos (LSX)	1,149	0.7%	63	107	45	71
BCEL*	7,400	-0.7%	10	25	9	22
EDL*	5,450	0.9%	53	82	36	49
Cambodia (CSX)	667	0.0%	14	50	21	96
PPWSA*	6,200	0.0%	14	50	21	96

Source: Bloomberg *Laos- LAK, Cambodia - KHR

Figure 2: Relative performance*

Figure 3: Market price to earnings ratio


Source: Bloomberg, KT Zmico estimates, * from May 1, 2012

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